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Finance Mechanism of the Illegal Apparatus of the Greek Communist Party (KKE)

To finance its intelligence nets and its other underground work, the Greek Communist Party (KKE) had set up a clandestine finance mechanism. Its identified administrators--both inside Greece and outside the country--were individuals of recognized professional ability--lawyers, a doctor, a newspaper correspondent, etc.--whose loyalties were undeniably attached to the KKE. Key persons in this network in Athens led legal existences although they passed funds through cut-outs, and sometimes directly, to Party members living illegally in Greece.

Personnel in Greece. Chief finance officer for the KKE in Greece was a young, well-to-do lawyer and writer who was recruited by the KKE in 1942, but whose membership had been kept secret and to the outside world he was known as a wealthy left-wing intellectual. He is described as well-educated, clever and well versed in Marxist theory. His influence among Party intelligentsia reportedly was considerable. This individual, to be called "Emmanuel" here, was known to procure economic information from the Ministry of Economy in 1946.¹ In a telephone conversation of December 1951 between two KKE men who were obviously involved in the financial mechanism, Emmanuel was referred to as "chief financial responsible for Greece." When he assumed this position is not clear; whether Party funds collected locally in Greece passed through his hands also is not certain; but it is definitely established that in 1951 he was the recipient of Party funds coming from abroad and served as the "bank of the espionage net."

Emmanuel's contacts were for the most part with other covert finance agents who led normal lives in Greece. (See attached chart). One woman, however, who served as a cut-out between Emmanuel and Party members in the underground, was living an underground existence herself. She probably served as liaison between Emmanuel and the KKE functionary who was the chief of the entire illegal mechanism which performed all underground work in Greece.

Another principal of the finance mechanism in Greece was a physician who distributed funds he received from Emmanuel. These he apparently passed directly or through a Party man who was employed as his gardener. Named as an alternate contact for the receipt of funds in Greece in case Emmanuel was not available, was a Greek woman lawyer, a Party member or sympathizer whose sympathies were not known to police, and who, like Emmanuel and the physician who assisted him, could live a completely normal life in Athens. This woman was known to have had contact in June 1951 in France with persons connected with the KKE finance mechanism there; possibly she served as a courier at that time. Possibly another key person in this finance net was a laboratory technician employed by the Ministry of Hygiene in Athens who, with Party funds had rented a well-furnished apartment which the Party probably used as a "yafka" or place for the transfer of funds.

Two finance agents who were stationed in Piraeus whose function was to pick up funds smuggled into the country by sailors of the Communist-controlled Federation of Greek Maritime Unions (OENO) have been identified. Presumably they carried this money to Emmanuel or to a cut-out who would pass it to him.

OENO's Part in KKE Intelligence. That OENO was deeply involved in KKE illegal work became clear with the discovery of smuggling activities carried out by some of its seamen. Police watching these persons were led to conduct a surveillance over Emmanuel which finally led to the breaking up of this finance mechanism. Most reports concerning OENO personnel engaged in Communist activity show them primarily as propagandists, smugglers, couriers or liaison agents. Correspondence of leading KKE officials abroad with their colleagues living underground in Greece is carried mostly by seamen who are OENO or KKE members.

Allegedly, OENO triangular networks have been organized as follows: Bulgaria-Egypt-Greece; Rumania-Egypt-Greece; Poland-Italy-Greece; Albania-Italy-Greece; and Bulgaria-Turkey-Greece. KKE intelligence work in OENO is stated to be carried out by a three-member "Party Office of Seaman Workers Abroad" which is instructed by the Politburo and Central Committee of the KKE. This office allegedly has its headquarters in Marseille with branch offices in the ports of Rouen, Antwerp, Rotterdam, Cardiff, New York, Montevideo, Gdynia, Calcutta and Genoa.

¹ All names used in this survey are fictitious.

Compared to the large number of reports about OENO recruiting for the Guerrilla Army and OENO propaganda efforts, there are relatively few reports concerning its work in the field of espionage. This is probably due to the fact that, for security reasons, relatively few persons are used for highly sensitive activity, and also, to the fact that by nature of their employment, OENO seamen can best be utilized by the KKE as couriers and smugglers rather than as informants. It is known that tremendous sums of money have been carried into Greece by OENO sailors. One sailor who was picked up by police had brought money to Greece on at least two occasions which had been passed to him in Marseille. Apparently profit was the motive here--the sailor received a 4% commission for the smuggling.

Other KKE Finance Couriers. The KKE finance officer in France ("Roussos") responsible for the transmittal of funds to Greece apparently missed no opportunity to send funds in by persons who were willing to take the risk--probably for personal gain. One individual whom he asked to perform this task was a French citizen of Greek origin ("Stavros") who was going back to Greece to marry a woman of his native village. After "Stavros" had agreed he was given a money belt containing 900 gold sovereigns to wear and a satchel with 700 more sovereigns. He was picked up immediately upon disembarking by Greek customs officials and the money was confiscated. After a court trial he recovered the money and tried to deliver it to "Emmanuel." The latter, fearing that "Stavros" was under police surveillance, turned him away. In the meantime, "Roussos" in Paris had sent his mistress to Greece to find out what had happened to the sovereigns entrusted to "Stavros" and to rent an apartment which he, "Roussos" would use later in Athens. The arrest of "Roussos" in Paris disrupted this plan. When "Stavros" was arrested again and questioned, Greek authorities found the larger part of the money in a strong box in an Athens bank, some on his person and the rest was with the mistress of "Roussos."

KKE Finance Officials in France. "Emmanuel" has identified as principal finance procurement officers in France: (a) a Greek lawyer, member of the Central Committee of the KKE, who is described as an ambitious, intellectual lawyer who joined the KKE in 1926 for idealistic motives and who has since risen to Party leadership through loyalty, intellect and zeal; and (b) the wife of a Greek who is the Athens representative for several American film companies. She allegedly receives \$1,000 monthly from her husband--a portion of this sum coming from the United States.

The covert agent who has already been mentioned as responsible for the dispatching of funds to Greece, "Roussos," was the Paris correspondent of an extreme right-wing Athens newspaper. The most conclusive evidence of his involvement in KKE finance operations was supplied during the espionage trials of November 1951 in Athens in testimony given by the courier, "Stavros," who admitted he was a close friend of "Roussos" who had asked him to carry money to "Emmanuel." Incriminating evidence was also supplied by Roussos's mistress who under interrogation finally admitted she had been sent to Athens to check on Stavros' disposition of the funds and to rent the apartment. Roussos was arrested by French police in early 1952 and expelled from France; he is now probably in Czechoslovakia.

Paris Finance "Yafka." Addresses abroad which could be used for the deposit and transfer of funds are discussed in messages found in a Communist crypt--which served as one of the KKE transmitting stations in Athens which was discovered and subsequently raided by Greek police and security authorities. A message of October 1951 to Rumania allegedly requested the Politburo to send safehouse addresses for Paris and Rome. An early reply from Bucharest supplied a Paris address which was the residence of a French woman who was a long-time member of the French Communist Party and was active for the Comité Français d'Aide pour la Grèce Démocratique. This woman had possibly been used as a courier of funds for the KKE as she had made several trips abroad in 1951 including trips to Greece and to Austria.

W/T Messages Revealed Finance Problems. Messages captured during the November 1951 police raids of KKE transmitting stations reportedly revealed difficulties finance agents were having in the transmittal of funds. One message notified the Politburo that 10,000 (presumably dollars) had been received, but complained that there were too many notes of one dollar denomination which presented problems in carrying the money. Some of the messages

from the Politburo in Bucharest reportedly contained explicit directions for the use of funds sent to Greece--for instance--for the defense of certain Communists on trial, for a trip for an underground worker, etc.--but other messages allegedly indicated that the Politburo had much confidence in activists in Greece and asked for suggestions about the transfer of funds. One allegedly stated that the Politburo had \$20,000 ready to send to Greece and asked the local chiefs if they could provide means for quick transfer of this money.

Remarks. KKE finance officers have been well-educated, idealistically-motivated people of the professional group, most of whom have been found living normal lives in Greece. The tasks they performed for the KKE finance network were completely clandestine. At least two of the group were writers--Emmanuel in Athens edited a scientific and technical periodical which had a left-wing slant. Roussos in Paris represented a very conservative Greek paper.

Contacts between covert finance agents living legally in Athens and Party workers wanted by the Police and living underground in Greece were probably infrequent, but were held in spite of all the danger involved. Emmanuel admitted having been visited four times by a former KKE Politburo member living underground just before the arrests of November 1951.

Apparently a variety of routes was used for the transfer of funds. Evidence so far shows that for the most part money was picked up by seamen of the OENO at Marseille; indications are that this was also being done at Alexandria and at Italian ports. Women party members traveling abroad were probably used for carrying funds. On the whole KKE methods of accomplishing this work--transfer and distribution of funds--have been opportunistic with the Party quick to use any trusted Communist or sympathizer who could perform courier functions.

It is probable that the Communist-front organizations, the Committees for Aid to Democratic Greece, which have been set up by national Communist Parties in western European countries serve to collect funds for underground Communist activity in Greece, including the work of the intelligence apparatus.

O.E.N.O. is the Federation of Greek Maritime Unions

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